9/047/072

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# McKenchnie, Allred, McClellan & Trotter, J.C.

Attorneys, Mediators, and Counselors

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May 11, 2000

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Reply to:

Vernal Office

State of Utah Division of Oil, Gas and Mining Attn: Anthony A. Gallegos P.O. Box 145801 Salt Lake City Utah 84114-5801

RE: Revised Notice of Intention to Commence Small Mining Operation, Hardaway #1, S/047/072

Dear Mr. Gallegos:

Enclosed please find the Revised Notice of Intention to Commence Small Mining Operation. Please process this revision at your earliest convenience. If there is anything further information needed, do not hesitate to contact us. Thank you for your time.

Very truly yours,

McKEACHNIE, ALLRED, McCLELLAN & TROTTER, P.C.

Stephanie McKeachnie

By: Stephanie McKeachnie Legal Assistant

Enclosure cc Stan Wagner Douglas M. Koza, BLM

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This Section for DOGM Use:			
Assigned DOGM	File No.:	S	6471072
DOGM Lead:	AA		

# STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING

1594 West North Temple Suite 1210 Box 145801 Salt Lake City, Utah 84114-5801 (801) 538-5291 Fax: (801) 359-3940

#### REVISED

#### NOTICE OF INTENTION TO COMMENCE SMALL MINING OPERATIONS

The informational requirements of this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, Utah Code Annotated 1987, and the General Rules as promulgated under the Utah Minerals Regulatory Program.

"Small Mining Operations" means mining operations which disturb five or less surface acres at any given time.

OLIV	LICAL INI ORNIA I	ion (Rule R	041-3	-104)	
1.	Name of Mine:_	Hardaway	No.	1	

GENERAL INFORMATION (Pule D647 2 104)

2. Name of Operator/Applicant: <u>Ziegler Chemical & Mineral Corporation</u> Company ( ) Corporation (X) Partnership ( ) Individual ( )

3. Permanent Address: 100 Jericho Quadrangle

City: Jericho State: NY Zip Code: 11753

Telephone Number: (516) 681-9600 Fax:

4. Ownership of Land Surface:

Private (Fee) ☑	Public Domain (E	LM)	National Forest (USFS) □	
State Trust Land/S Other (please desc		State	Sovereign Lands □	
Other (please desc	cribe):			

Name\_Ziegler Chemical Address 100 Jericho Quadrangle, Jericho, NY
Name\_\_\_\_\_ Address\_\_\_\_\_
Name\_\_\_\_ Address\_\_\_\_\_

Name\_\_\_\_\_Address\_\_\_\_

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5. Ownership of Minerals: Gilsonite

Private (Fee) ☑

National Forest (USFS) □

Name Ziegler Chemical	
NameName	
	AddressAddress
Utah Mining Claim Num	
Utah State Lease Numb	per(s): N/A
Name of Lessee(s) N/	Α
6. Have the above surface Yes XX No	and mineral owners been notified in writing?
If no, why not?	
to the Trust Lands Administration	ivity on State Trust Lands requires a minimum of 60 days in prior to commencing any activities. Please contact the istration (SITLA) at (801) 538-5508 for notification
<ul> <li>to the Trust Lands Administration of Institutional Trust Lands Administration and Institutional Trust Lands Administration and Institutional Trust Lands Administration and Institution and Instituti</li></ul>	legal right to enter and conduct mining operations on the ce?  Yes XX  No  No  RECEIV
to the Trust Lands Administration of Institutional Trust Lands Administration ements.  7. Does the operator have I land covered by this notice.  PROJECT LOCATION & MAP	legal right to enter and conduct mining operations on the ce?  Yes XX No RECEIV  (Rule R647-3-105)
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they can be located on the ground. It is recommended that the operator also plot

Public Domain (BLM) □

State Trust Land/School Sections ☐ State Sovereign Lands ☐

and label any pre-existing disturbances in the immediate vicinity that he is not responsible for.

III.	OPERATION PLAN	(Rule R647-3-106)

1.	Type of mining: Surface □ Underground ⊀	
2.	Mineral(s) to be mined: Gilsonite	
3.	Provide a brief description of the proposed mining operation and onsite proposed Mining Operation	ocessing
N	/A□ New Road(s): Length(ft) Width	
N	/A□ Improved Road(s): Length(ft) Width	(ft)
	Total project surface acreage to be disturbed: 1.65	_(acres)
	Proposed startup date of project (month, year) March 2000	
	Proposed completion date of project, if known (month, year) Not Know	n

#### IV. OPERATION AND RECLAMATION PRACTICES (Rule R647-3-107, 108 & 109)

The reclamation and operation obligation is to keep the area clean and safe, minimize hazards to public safety, return the land to a useful condition, and reestablish at least 70 percent of the premining vegetative ground cover. To accomplish this, the operator will need to perform reclamation concurrently, or at the completion (within one (1) year) of mining:

- 1. Keep the mining operation in a safe, clean, and environmentally stable condition.
- 2. Permanently seal all shafts and tunnels to prevent unauthorized or accidental entry.
- 3. Plug drill holes with a five foot cement surface plug. Holes that encounter fluids are to be plugged in the subsurface to prevent aquifer contamination.
- 4. Construct berms, fences, or barriers, when needed, above highwalls and excavations.
- 5. Remove, isolate, or neutralize all toxic materials in a manner compatible with federal and state regulations.
- 6. Remove all waste or debris from stream channels.

MAY 19 2000

7. Dispose of any trash, scrap metal, wood, machinery, and buildings.

OIL. GAS AND MINING

8. Conduct mining activities so as to minimize erosion and control sediment.

9. Reclaim all roads that are not part of a permanent transportation system.

- 10. Stockpile topsoil and suitable overburden prior to mining.
- 11. Stabilize highwalls by backfilling or rounding to 45 degrees or less, where feasible; reshape the land to near its original contour, and redistribute the topsoil and suitable overburden.
- 12. Properly prepare seedbed to a depth of six inches by ripping, discing, or harrowing.
- 13. Reseed disturbed areas with adaptable species. (The Division recommends seeding 20 lbs./acre of native and introduced species of grass, forb, and browse seed, and will provide a specific species list if requested.)
- 14. Plant the seed with a rangeland or farm drill, or if broadcast seeded, harrow or rake the seed 1/4-1/2 inch into the soil fall is the preferred time to seed.

V. VARIANCE REQU	ST (Rule R647-3-110)
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Yes □ No 🛎

Any planned deviations from Rules R647-3-107, Operation Practices, R647-3-108, Hole Plugging Requirements, or R647-3-109, Reclamation Practices, as summarized above, should be identified below and justification given for the variance request(s).

Item Number	Variance Request Justification None			

#### VI. PERMIT FEE [Mined Land Reclamation Act 40-8-7(i)]

The Utah Mined Land Reclamation Act of 1975 [40-8-7 (I)] provides the authority for the assessment of permitting fees. Commencing with the 1998 fiscal year (July 1 - June 30), permit fees are assessed to <u>new</u> and <u>existing</u> notices of intention and annually thereafter.

Small Mining Notices require a \$100.00 fee which must accompany this application.

#### VII. SIGNATURE REQUIREMENT

I hereby commit to conduct mining operations and to reclaim the aforementioned small mine as required by the Utah Mined Land Reclamation Act (40-8) and the rules as specified by the Board of Oil, Gas and Mining.

Signature of Operator/Applicant:

Name (typed or printed):

Title/Position (if applicable):

Date:

Gordon Ziegler

President

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AMENDMENT

## Hardaway No. 1

### Proposed Mining Operation

The proposed mining operation would involve the mining of gilsonite from the Harrison gilsonite vein in Section 7, T11S, R24E in Uintah County, Utah (refer back to II. Project Location & Map). The plan proposes that gilsonite be mined from Ziegler Chemical & Mineral (ZCMC) patented claim MS 5688 Hardaway. Mining will take place in an order that is beneficial to Ziegler. As part of the exploration plan the operator plans to drill some exploration holes with maximum depth of 1,000 feet some of the holes will be drilled using air as a circulating medium. Three or four of the holes will probably be drilled using the small Longear exploration rig. This rig will use water with a small additive of Bentonite and no chemicals. Operator does not anticipate new roads being built for exploration holes.

The original operation was for the shaft to be located on the west side of the road. ZCMC has been unsuccessful in locating a rock formation on the west to place the mine shaft. The gilsonite vein and rock formation has entered the wash at a far steeper angle than had been anticipated. ZCMC proposes to enter the ore body from a Portal built into the hillside to the west of the original proposed shaft. For access into the mine from the Portal location, ZCMC will proceed by making a travelway going down at a thirty (30) degree angle to the west. Mining would proceed to the southeast and to the northwest from the mining shaft along the line of the vein.

The gilsonite would be mined by a stoping process. Stoping involves sinking a shaft and then removing the mineral by excavating along the vein in both directions from the shaft. Ziegler would conduct mining in such a manner as would yield the maximum recovery of ore consistent with safety and the protection of the environment.

Stoping would begin upon completion of the shaft and escapeways. Gilsonite in the vein would not be mined between the surface and a depth of 35 ft in order to prevent subsidence of and disturbance to the ground surface, as well as for safety reasons (to prevent people or animals from falling into an open cut) and to prevent possible surface slumpage. The bottom 20 ft of the shaft would be the "sump", where gilsonite removed from the stopes would fall and be airlifted to the surface through the 12 inch diameter vacuum lift pipeline located in the utility

MAY 19 2000

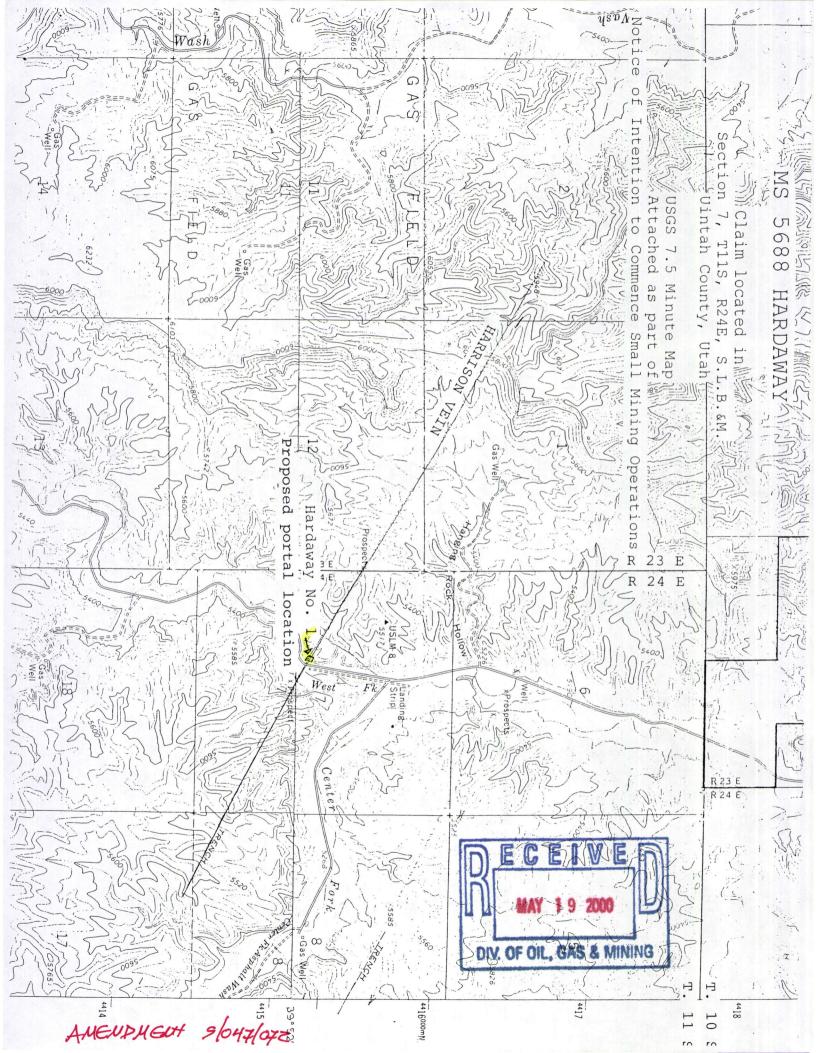
shaft. Since the upper 35 ft would not be mined, this would leave a block 100 ft high from which gilsonite could be removed. Once this 100 ft block of ore has been removed, the shaft would be extended 110 ft deeper to allow another 100 ft block of ore to be mined. The process would be repeated until the bottom of the workable ore would be reached. A 10 ft thick pillar would be left unmined between each 100 ft deep block of mined area to lend support to the mined area.

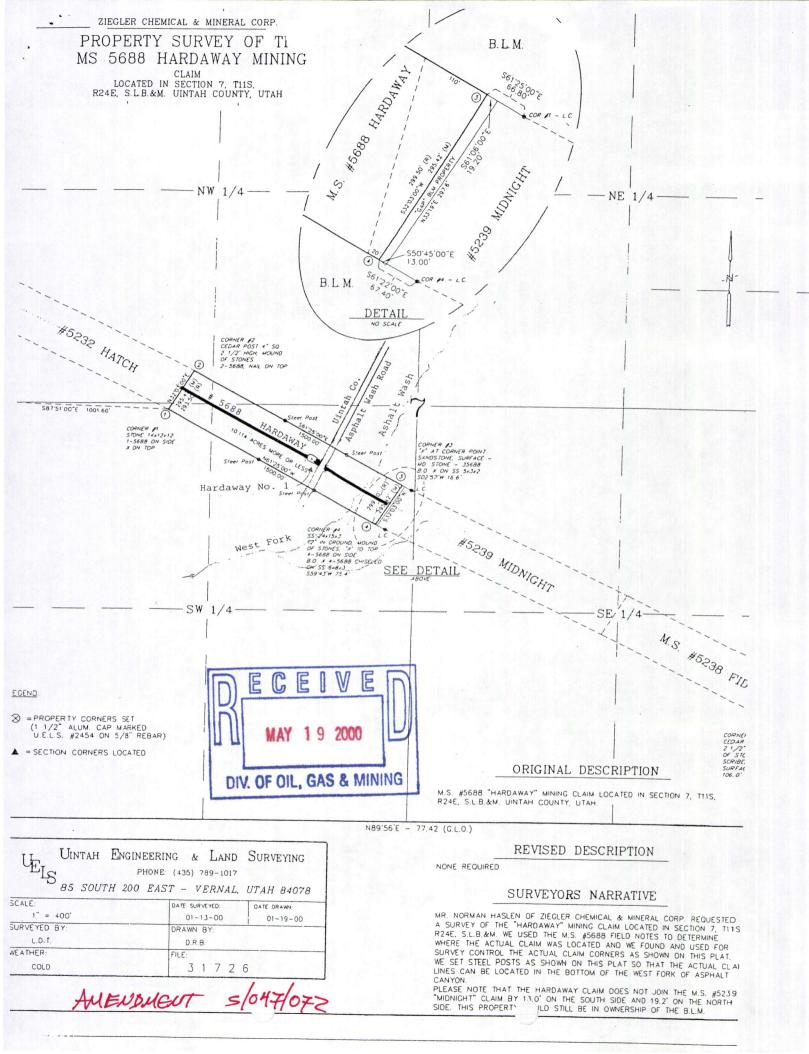
Wooden stulls (braces) would be placed wherever necessary to brace the walls of the mine, but generally in a 5 x 5 ft pattern, both horizontally and vertically. The timbers for these braces would be stored on Ziegler's patented land in N1/2NE1/4 Section 4, T9S, R24E. The stulls will control loose rock areas and will be  $4\frac{1}{2}$ " to 8" in diameter. They will be emplaced by chipping notches in the wall and by using wooden wedges to tighten them.

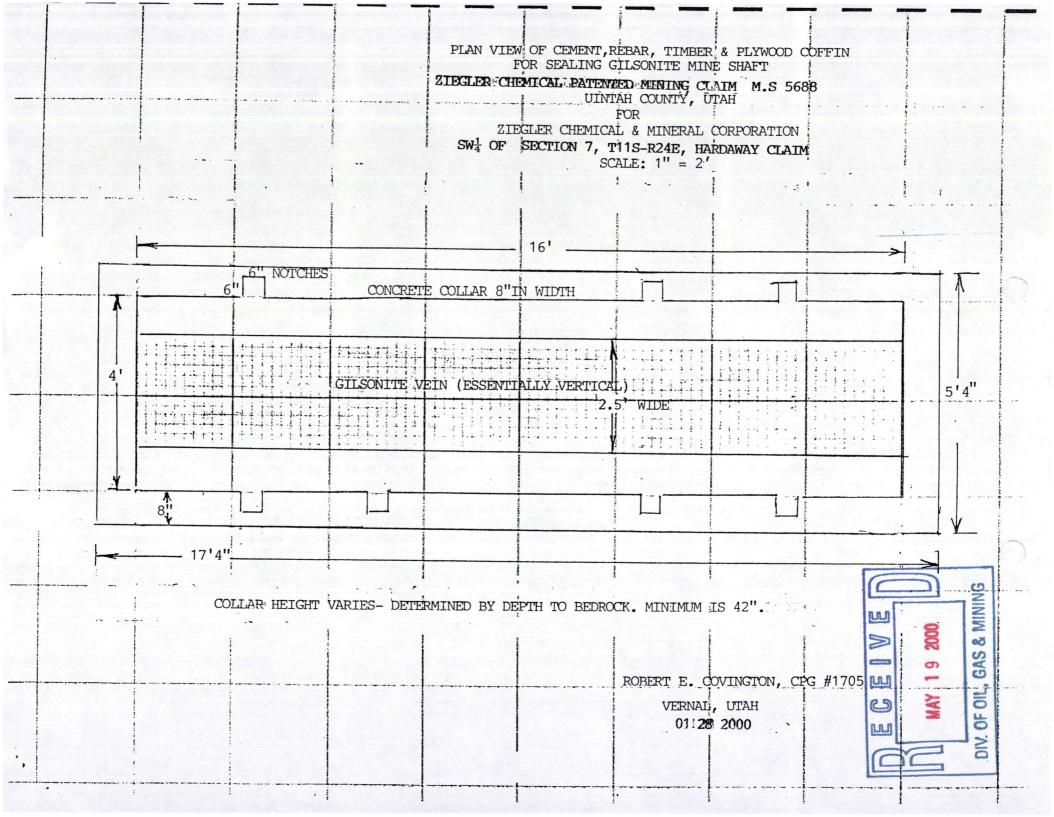
The floors during mining would be constructed of chain link fence supported by wooden stulls chipped into the rock walls.

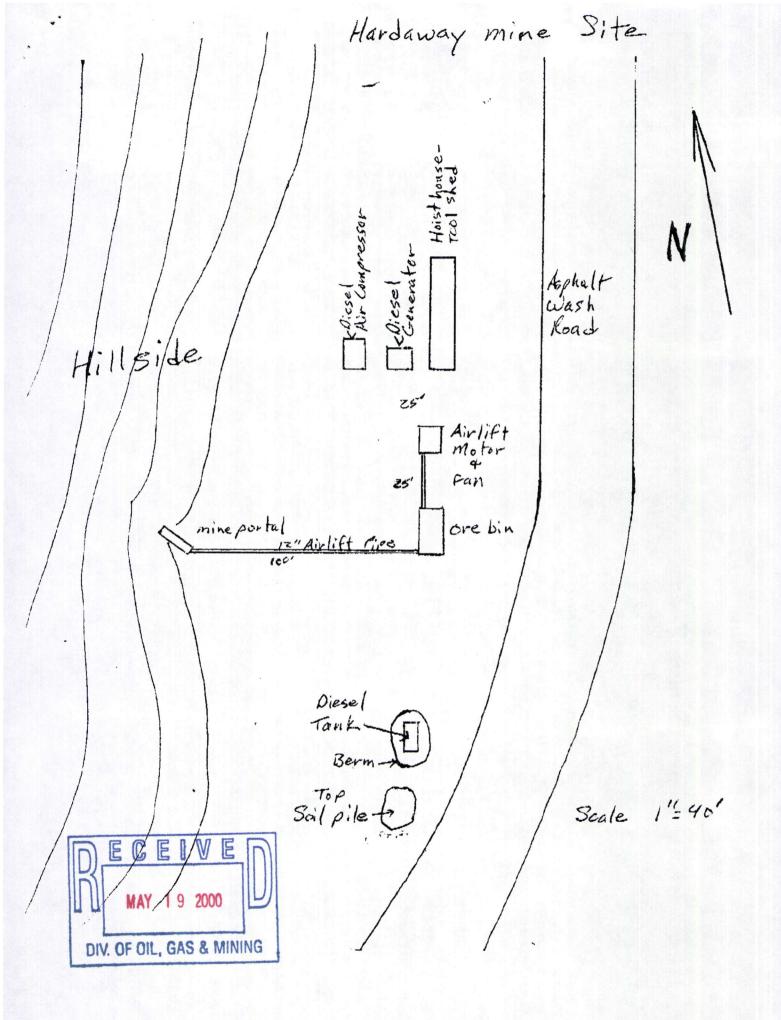
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